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26 NOV 1973

MEMORANDUM FOR: Associate Deputy Director for Operations

VIA: [REDACTED]

SUBJECT: Project [REDACTED] Amendment No. 1 for
FY 1973 and Renewal for FY 1974

1. The [REDACTED] Project provides financial support to two small Chilean political parties; the Democratic Radical Party (PDR) and the Radical Party of the Left (PIR), which formed part of the democratic opposition to the Popular Unity (UP) coalition of Marxist President Salvador Allende. Because of the sensitivity of Agency involvement in political action operations in Chile, it is requested that normal staff review of this project amendment and renewal be waived and that it be presented directly to the ADDO.

2. [REDACTED] all funds passed to the PDR and PIR in FY 1973 were approved by the 40 Committee. An August 1973 40 Committee approval for continuing PDR/PIR support was invalidated by the 11 September 1973 military coup. Although [REDACTED] of this [REDACTED] approval was passed to the PIR during FY 1974 prior to the coup, additional 40 Committee funds may be approved for future passage to the PDR and PIR, [REDACTED]

These funds are available from within the [REDACTED] programmed for the project in FY 1974. [REDACTED]

[REDACTED] The two parties, both of which split away from the parent Radical Party (PR), a UP member, may merge during FY 1974, but they are discussed separately [REDACTED]

A. Democratic Radical Party (PDR)

The PDR, led by former Senator Julio Duran, represents the conservative, right-wing members of the old PR. These members refused to accept the PR's 1969 decision to enter the Communist-Socialist coalition which supported Allende's

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presidential candidacy in 1970. Although it has a few nationally prominent leaders and pockets of middle-class electoral support, the PDR was never strong nationally. Prior to the 4 March 1973 congressional elections, it had two senators and four deputies, but (like the PIR and the PR) it fared badly in March.

[REDACTED]

[REDACTED] the 40 Committee approved [REDACTED] for the PDR's electoral campaign in the 4 March 1973 congressional elections; at the same time the 40 Committee approved a [REDACTED] contingency fund, of which [REDACTED] was subsequently allocated to the PDR with the Ambassador's concurrence. [REDACTED] the 40 Committee approved additional funds for the congressional election campaign; [REDACTED]

[REDACTED] This memorandum includes a request that the total approved for the PDR portion of this project be increased from [REDACTED] originally approved by the 40 Committee [REDACTED]

[REDACTED] to a total of [REDACTED] for FY 1973. The [REDACTED] new funds requested for the PDR have all been approved by the 40 Committee.

[REDACTED] the 40 Committee approved [REDACTED] for both the PDR and PIR during FY 1974 without specifying the exact amount to be allocated to each group. Of this amount, [REDACTED] was spent for PIR organizational expenses, [REDACTED] prior to the 11 September 1973 military coup. Additional funds may be approved by the 40 Committee for [REDACTED]

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support to the PDR and PIR, which has changed its name to the Social Democratic Party (PSD). This renewal, however, requests only [REDACTED] for the PDR, broken down as follows: [REDACTED]

B. Radical Party of the Left (PIR)

[REDACTED] The PIR split with the UP, which occurred on 6 April 1972, represented a severe setback for the Allende government. It undermined the image of a popular front, embracing both Marxists and non-Marxists, which Allende was trying to sustain, and also significantly reduced the UP's parliamentary strength, since PIR leadership included five senators and seven deputies. The 40 Committee subsequently approved funds to assist the PIR to organize itself as a new party and to compete in the Coquimbo by-election. Total cost of support to the PIR during FY 1972 was [REDACTED]

[REDACTED] the 40 Committee approved [REDACTED] for the PIR's electoral campaign in the 4 March 1973 congressional elections. The 1973 project renewal [REDACTED] included the 40 Committee authorization plus [REDACTED] bringing the total amount approved for the PIR to [REDACTED]

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The following additional 40 Committee approved monies have been passed to the PIR during FY 1973: [REDACTED] of the [REDACTED] contingency fund approved [REDACTED] was allocated to the PIR, and [REDACTED] of the additional [REDACTED] [REDACTED] was also passed to [REDACTED]. This memorandum includes a request that the total amount approved for the PIR portion of the project be increased [REDACTED] from [REDACTED] to [REDACTED] for FY 1973.

On 20 August 1973 the 40 Committee approved [REDACTED] to support both the PIR and PDR during FY 1974. This approval was invalidated by the 11 September 1973 military coup after [REDACTED] had been passed to the PIR. In addition to this [REDACTED] will be needed to pay [REDACTED]

3. Accomplishments during FY 1973 for both the PDR and the PIR were described in detail in regular reports to the 40 Committee. Station efforts during this period were concentrated on preparing the two parties for the March congressional elections. [REDACTED]

[REDACTED] Unfortunately, the complicated electoral system employed in March favored the larger political parties at the expense of the smaller ones. This fact was known before the election, but the extent of the losses suffered by all three Radical parties did not become apparent until the results were in. In terms of percentages the PDR won 2.2% of the popular vote and the PIR obtained 1.8%, for a total of 4% (as compared with 3.6% for the parent PR, which remained within the UP). In terms of seats, all senate candidates of both parties were defeated. The PDR won only two deputy seats (a loss of two)

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while the PIR won only one (a loss of eight). The PR also suffered, losing one senate and seven deputy seats, but this is cold comfort to PDR and PIR leaders. Both the PDR and PIR conducted strong campaigns, and their defeat was the result of a voter swing toward the stronger parties in an increasingly polarized political climate.

4.



5. Since the 11 September coup, which was welcomed by both the PDR and PIR, the government has outlawed the parties which belonged to Allende's Popular Unity coalition and has suspended all other political parties. It has appointed a commission of constitutional lawyers to draft a new constitution in accordance with guidelines approved by the Junta. At present, it appears that the new constitution will provide for a congress to be elected somewhat differently than in the past. The majority of the senate will be elected by universal suffrage to represent the nation as a whole, but the senate will also automatically include some experienced leaders, such as past president of Chile and possibly former presidents of the Supreme Court, whose preeminence would help make the senate a stabilizing influence. The deputies will be elected as they have been previously but with different districts which will more accurately reflect the country's varied regional interests. The presidential election will include two rounds, the first to include any number of candidates and the second to be a runoff between the two candidates with the highest voter pluralities. Congress will have more power to serve as a check on the executive branch, and certain aspects of the new constitution, such as the separation of powers and basic individual rights will be unalterable except through a plebiscite. Lawyers working on the new constitution estimate that it will take at least a year and a half to draft the constitution and the legislation required for its implementation, so that it will be at least two years before new elections can be held. During this period

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the political parties will remain suspended, although they will continue to function internally as before and will be working to expand their influence within the various sectors of Chilean society in order to be able to attract the maximum number of votes when elections are held under the new constitution. Both the PDR and the PIR (which has changed its name to the Social Democratic Party of Chile (PSD), will continue to give full support to the Junta, but in slightly different ways. The PDR will probably align itself closely with the Junta in the hope of obtaining government prestige and patronage. It will probably maintain a low profile and not engage in political activities. The PSD, on the other hand, will probably engage in whatever political activities are permitted by the Junta in an effort to attract former UP supporters, particularly members of the old Radical Party.

[REDACTED]

Occasional specific activities may be supported from a Contingency Fund being requested from the 40 Committee, but no regular subsidy to either party is proposed.

[REDACTED]

7. It is requested that the [REDACTED] project be amended for [REDACTED] for FY 1973. This amendment represents [REDACTED] for the PDR and [REDACTED] for the PIR, all of which has been approved by the 40 Committee. Approval of this amendment will bring the total cost of the [REDACTED] Project for FY 1973 to [REDACTED]

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8. It is also requested that the [REDACTED] Project be renewed for FY 1974 in the amount of [REDACTED] of which [REDACTED] was approved by the 40 Committee on 20 August 1973, while [REDACTED]

[REDACTED]
Acting Chief
Western Hemisphere Division

Attachments

APPROVED:

[REDACTED]
Associate Deputy Director for Operations

26 Dec 1973
Date

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